



# Idaho Insurance News

Idaho Department of Insurance  
Volume 14 No. 1  
January 2010

C.L. "Butch" Otter  
*Governor*

William W. Deal  
*Director*

Tricia R. Carney  
*Public Information Specialist*

Cheryl Charlton  
*Graphic Design Specialist*

700 West State Street  
Third Floor  
Boise, Idaho 83720

Phone: 208-334-4250  
Fax: 208-334-4398

Comments regarding contents of *Idaho Insurance News* are always welcome

[Achievements and Awards](#)

[Calendar of Events](#)

## Director's Message *Bill Deal*



### State-Based Regulatory System Works

During the financial crisis of 2008 and 2009 Americans watched their investment portfolios and retirement plans plummet while 120 federally regulated banks closed their doors. Meanwhile, not a single state-regulated insurance carrier became insolvent. State-based insurance regulation has safeguarded the ability of insurance companies to pay claims while remaining competitive and profitable. The forward-looking nature of insurance compels regulators to require sufficient funds be available to respond to consumers' needs.

The insurance market has become increasingly global in scope and certain aspects of the regulatory system need limited reform. But this reform should not come at the expense of policyholders who have been protected by a tried and true system of state-based regulation.

We must remember that insurance differs from securities and banks in important ways. Consumers purchase insurance to protect themselves from the risk of loss. This purchase includes a contractual guarantee that is not found in other financial products. Effective insurance regulation must reflect the laws, values and unique risks of each state and region of the nation.

America is a diverse country with diverse needs. A one-size-fits-all approach to insurance regulation will not create an economic environment in which the public will have access to the types of products they need at an appropriate price. The system has evolved and adapted, utilizing technology and other uniformity tools to streamline oversight where appropriate, while preserving local, accountable oversight. Any change to the current system of regulation should not undermine the expertise and experience of state regulatory authorities.

State regulators continue to be vigilant in their efforts to improve and respond to consumer and market needs so that we will be ready, willing and able to meet the challenges ahead.

[Back](#)